

By Rep. Sanford D. Bishop, Jr.

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Congress has adjourned until after the November elections without casting a vote on a concern vital to the nation's economic recovery – extending tax relief to all Americans. I am extremely disappointed that given the delicate state of the economy, Speaker of the House Nancy Pelosi did not schedule a vote on this important issue.

As I have traveled across Georgia's Second Congressional District in recent months, I have heard from many residents who are justifiably worried about what the future will bring them. This worry is amplified by the uncertainty surrounding future taxes.

The 2001 Bush tax cuts, which I voted for, are scheduled to expire at the end of this year. If Congress fails to act in a timely manner to extend the tax relief, higher tax rates for all Georgians will ensue as well as the most oppressive estate tax we have seen in a decade. Consequently, I believe it is imperative that Congress returns immediately to take action before the election.

Georgia workers are already struggling to pay their bills. A recent survey by CareerBuilder found that 77% of employees are living paycheck-to-paycheck. We must not make life even more difficult for these hard-working Americans, which is why I joined thirty of my colleagues in urging the House Leadership to extend the 2001 tax cuts and not raise taxes on Georgia workers.

Extending the Bush tax cuts will help our nation's senior citizens as well. They also are struggling to make ends meet in this challenging economic environment. For example, Social Security recipients have not received a cost-of-living increase in 2009 – and it appears increasingly likely they will not receive one in 2010 as well. (I do support legislation, however, that would assist 57 million American seniors, retired and disabled veterans, and disabled individuals with a one-time \$250 payment that they deserve in the event that no cost-of-living adjustment is announced this Fall).

In addition, seniors have discovered their retirement savings devastated by the 2008 financial meltdown. The Tax Foundation has found that taxpayers over 55 earn 71% of all dividend income, with the largest proportion going to seniors over 65. Seniors rely on this dividend income to supplement their Social Security payments.

If the 2003 Bush dividend tax cuts also were allowed to expire then, it would take money out of the pockets of elderly Americans. I believe that we owe it to the nation's senior citizens that their golden years are not tarnished in this time of economic instability. As a result, I joined with several of my colleagues in urging the House Leadership to extend the current, reduced tax rates for dividends and capital gains.

It should be noted that while I was one of thirteen Democrats to support the 2001 Bush tax cuts when they were first brought before the U.S. House of Representatives, I did not support the 2003 measure because of my concerns over the federal budget deficit. In 2001, according to the non-partisan CBO, President George W. Bush inherited a projected \$5.6 trillion federal budget surplus over 10 years. By 2003, with the nation already in the red and facing a prolonged war against terrorism, I wanted to ensure adequate funding for the war effort as well as for the safety of our troops overseas. Given the current economic situation, however, it only makes sense that we extend both the 2001 and 2003 tax cuts until the recovery takes hold and Americans are back at work.

Finally, our farmers and small business owners face dire consequences from inaction as well. A higher estate tax rate would have an especially severe impact on farmers and small business owners in Georgia's Second Congressional District. According to a June 29, 2009 report by the U.S. Department of Agriculture, if Congress does not take action on estate tax relief before the end of this year, the resulting higher estate tax could affect 10% of American farms, 98% of which are family-owned and operated.

Many Georgians could lose farms that have been passed down from generation to generation, or be forced to sell much-needed land, buildings, and equipment. In addition, small business owners could lose the companies they worked so hard to build and hoped to hand down to their children. I felt so strongly about this issue that I authored a letter to House Leadership urging substantial estate tax relief for the benefit of our family owned farms and businesses.

I strongly believe that Congress should have acted before going into recess until the election. The expiration of the Bush tax cuts will have a dramatic effect on Georgia citizens across the socio-economic spectrum. Continuing to put this problem off until after the November elections as Speaker Pelosi has done is the wrong way to proceed. The bottom line is this – Georgia needs action now so that tax relief can boost the economy and create jobs.